

November 10, 2015

Consolidated Financial Summary for the second quarter ended September 30, 2015

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This release contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected.

Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.

Ebara Corporation undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

EBARA CORPORATION

Consolidated Financial Summary for the second quarter ended September 30, 2015

1. Summary

Billions of Yen

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016		2nd quarter ended September 30, 2014		2nd quarter ended September 30, 2015			
	Actual	Change (%)	Actual	Change (%)	forecast	Change (%)	Actual	Change (%)	Actual	Change (%)	Change (%)	
Statements of Income												
Net Sales	448.6	5.2	482.6	7.6	507.0	5.0	186.1	6.5	207.0	11.3		
Operating Income	32.1	28.3	34.5	7.4	37.0	7.0	(0.6)	-	4.6	-		
Ordinary Income	31.3	22.0	36.2	15.8	37.0	2.0	(0.3)	-	3.8	-		
Profit Attributable to Owners of Parent (*5)	18.9	24.0	23.5	24.3	24.0	1.8	(1.9)	-	1.3	-		
Statements of Cash Flows		(Billions of Yen)		(Billions of Yen)		(Billions of Yen)		(Billions of Yen)		(Billions of Yen)		
Cash flows from operating activities	26.6	(7.3)	11.2	(15.3)	27.0	15.7	11.2	(5.0)	25.6	14.3		
Cash flows from investing activities	3.5	36.6	(15.8)	(19.4)	(36.0)	(20.1)	(8.9)	(20.2)	(6.4)	2.4		
Cash flows from financing activities	(25.3)	(28.6)	(7.0)	18.2	(6.6)	0.4	(7.1)	20.4	(4.0)	3.1		
Cash and cash equivalents (at the end of period)	102.3	8.5	95.6	(6.7)	80.0	(15.6)	98.2	2.3	110.8	12.6		
Balance Sheets		(Billions of Yen)		(Billions of Yen)				(Billions of Yen)		(Billions of Yen)		
(at the end of period)												
Total assets	530.2	25.6	570.3	40.1			499.2	42.9	547.4	48.1		
Interest-bearing debt	119.6	(19.2)	121.5	1.8			116.1	2.4	122.6	6.4		
Lease liabilities of above	1.8	0.2	1.9	0.1			1.7	0.3	2.9	1.1		
Shareholder's Equity (*1)	208.0	21.1	239.0	31.0			204.4	13.1	235.9	31.5		
Retained earnings	70.6	16.7	91.8	21.1			68.0	16.8	89.3	21.2		
Management Indicator												
Return on Invested Capital (ROIC) (*2)	5.8 %		6.9 %									
Operating Income on Sales Ratio	7.2 %		7.2 %									
Return on Equity (ROE) (*3)	9.6 %		10.5 %									
Debt/Equity Ratio	0.6		0.5									
(at the end of period) (*4)												
Equity Ratio	39.2 %		41.9 %									
Per share data												
Net Income per share	40.86 yen		50.77 yen									
Cash Dividends per share of common stock(Annual)	7.50 yen		12.00 yen									
Net assets per share (at the end of period)	448.05 yen		514.38 yen									

(*1) Shareholder's Equity = Net Assets - Subscription Rights to Shares - Non-Controlling Interests

(*2) ROIC = Profit Attributable to Owners of Parent / (Interest-bearing debt(Average between beginning and end of period) + Shareholder's Equity(Average between beginning and end of period))

(*3) ROE = Profit Attributable to Owners of Parent / Shareholder's Equity(Average between beginning and end of period)

(*4) Debt/Equity Ratio = Interest-bearing debt(at end of period) / Shareholder's Equity(at end of period)

(*5) The EBARA Group has applied the Accounting Standard for Business Combinations, and other relevant standards and guidances from April 1, 2015. As a result of this change, the previous fiscal year's amount presented as "Net Income" has been transferred to "Profit Attributable to Owners of Parent."

2. Area Information

(1) Geographical Segment ... Compiled on the basis of the geographical location of the company reporting the sales

Billions of Yen

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		2nd quarter ended September 30, 2014		2nd quarter ended September 30, 2015		
	Actual	Composition (%)	Actual	Composition (%)	Actual	Composition (%)	Actual	Composition (%)	Change (%)
Net Sales									
Japan	281.5	62.7	291.9	60.5	111.7	60.0	127.0	61.7	15.9
North America	84.8	18.9	100.2	20.8	40.5	21.8	42.6	20.6	2.1
Asia (except Japan)	60.6	13.5	68.9	14.3	23.9	12.9	26.5	12.8	2.5
Others	21.6	4.9	21.4	4.4	9.8	5.3	10.1	4.9	0.3
Total	448.6	100.0	482.6	100.0	186.1	100.0	207.0	100.0	20.9
Operating Income									
Japan	11.9	37.1	9.9	28.7	(8.7)	-	(2.1)	-	6.5
North America	9.9	31.0	13.0	37.8	3.2	-	3.3	-	0.0
Asia (except Japan)	8.8	27.6	9.3	27.0	3.1	-	2.8	-	(0.2)
Others	1.8	5.8	1.9	5.7	0.9	-	1.0	-	0.2
Elimination	(0.5)	(1.5)	0.2	0.8	0.7	-	(0.6)	-	(1.3)
Total	32.1	100.0	34.5	100.0	(0.6)	-	4.6	-	5.2

(2) Regional Segment ... Compiled on the basis of the geographical location where the goods were sold

Billions of Yen

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		2nd quarter ended September 30, 2014		2nd quarter ended September 30, 2015		
	Actual	Composition (%)	Actual	Composition (%)	Actual	Composition (%)	Actual	Composition (%)	Change (%)
Net Sales									
Japan	211.8	47.2	224.0	46.4	81.8	44.0	92.9	44.9	11.1
Asia (except Japan)	129.9	29.0	139.6	28.9	52.3	28.1	56.0	27.1	3.6
North America	50.0	11.2	58.6	12.2	25.4	13.7	25.2	12.2	(0.1)
Europe	29.4	6.6	33.6	7.0	14.8	8.0	16.1	7.8	1.3
Middle East	15.0	3.4	15.4	3.2	6.7	3.6	11.8	5.7	5.1
Others	12.2	2.6	11.3	2.3	4.8	2.6	4.6	2.3	(0.1)
Total	448.6	100.0	482.6	100.0	186.1	100.0	207.0	100.0	20.9

3. Segment Information

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering, PM = Precision Machinery

(1) Orders received, Sales, and Operating Income

Billions of Yen

	Fiscal year ended	Fiscal year ended	Fiscal year ending		2nd quarter ended	2nd quarter ended	
	March 31, 2014	March 31, 2015	March 31, 2016		September 30, 2014	September 30, 2015	
	Actual	Actual	Forecast	Change	Actual	Actual	Change
Orders received							
Reportable segments FMS	341.0	334.4	345.0	10.5	155.9	157.1	1.2
EE	98.6	73.7	80.0	6.2	38.8	34.8	(3.9)
PM	70.8	77.5	90.0	12.4	31.6	49.8	18.2
Others	1.6	1.7	2.0	0.2	0.8	0.8	(0.0)
Total	512.2	487.5	517.0	29.4	227.2	242.7	15.5
Sales							
Reportable segments FMS	322.1	342.0	355.0	12.9	131.5	138.7	7.1
EE	52.9	64.9	70.0	5.0	23.2	25.7	2.4
PM	71.8	73.9	80.0	6.0	30.4	41.7	11.3
Others	1.6	1.7	2.0	0.2	0.8	0.8	(0.0)
Total	448.6	482.6	507.0	24.3	186.1	207.0	20.9
Operating Income							
Reportable segments FMS	22.1	20.7	21.5	0.7	(3.1)	(1.8)	1.2
EE	4.7	6.2	7.0	0.7	1.0	1.4	0.3
PM	4.6	7.0	8.0	0.9	1.0	4.7	3.6
Others & adjustment	0.6	0.5	0.5	(0.0)	0.3	0.3	(0.0)
Total	32.1	34.5	37.0	2.4	(0.6)	4.6	5.2
Backlog of Orders received							
Reportable segments FMS	182.7	190.9	180.9	(10.0)	211.5	210.5	(0.9)
EE	151.4	160.6	170.6	10.0	166.7	169.8	3.1
PM	8.0	12.1	22.1	10.0	9.1	20.2	11.1
Others	0.0	0.0	0.0	-	0.0	0.0	(0.0)
Total	342.2	363.7	373.7	10.0	387.4	400.7	13.2

(2) Research and Development expenses, Capital Expenditures and Depreciation and Amortization expenses

Billions of Yen

	Fiscal year ended	Fiscal year ended	Fiscal year ending		2nd quarter ended	2nd quarter ended	
	March 31, 2014	March 31, 2015	March 31, 2016		September 30, 2014	September 30, 2015	
	Actual	Actual	Forecast	Change	Actual	Actual	Change
Research and Development expenses							
Reportable segments FMS	4.2	4.4	5.5	1.0	2.0	2.3	0.2
EE	0.0	0.1	0.5	0.3	0.0	0.0	0.0
PM	2.1	2.1	3.5	1.3	1.1	1.0	(0.0)
Others & adjustment	-	-	-	-	-	-	-
Total	6.4	6.7	9.5	2.7	3.2	3.4	0.2
Capital Expenditures							
Reportable segments FMS	9.4	10.3	11.0	0.6	3.9	4.8	0.9
EE	0.6	0.5	0.5	(0.0)	0.1	0.1	(0.0)
PM	3.8	2.5	3.0	0.4	1.5	1.4	(0.1)
Others & adjustment	4.1	2.2	4.0	1.7	1.1	0.9	(0.1)
Total	18.1	15.8	18.5	2.6	6.7	7.3	0.5
Depreciation and Amortization expenses							
Reportable segments FMS	7.9	8.4	8.0	(0.4)	3.9	3.7	(0.1)
EE	0.3	0.4	0.3	(0.1)	0.1	0.1	0.0
PM	2.6	2.4	3.0	0.5	1.1	1.0	(0.1)
Others & adjustment	1.1	1.7	1.7	(0.0)	0.8	0.7	(0.0)
Total	12.1	13.0	13.0	(0.0)	6.1	5.7	(0.3)

(3) Employees

Numbers

	As of	As of			As of	As of	
	March 31, 2014	March 31, 2015			September 30, 2014	September 30, 2015	
	Numbers	Numbers	Change		Numbers	Numbers	Change
Employees							
Reportable segments FMS	10,205	10,976	771	10,801	10,929	128	
EE	2,605	2,665	60	2,631	2,655	24	
PM	1,680	1,729	49	1,699	1,762	63	
Others & Corporate	678	660	(18)	667	654	(13)	
Total	15,168	16,030	862	15,798	16,000	202	
Ebara Corporation	4,016	3,999	(17)	4,006	4,041	35	
Domestic consolidated subsidiaries	3,816	3,866	50	3,861	3,821	(40)	
Overseas consolidated subsidiaries	7,336	8,165	829	7,931	8,138	207	

4. Statements of Cash Flows

Billions of Yen

	Fiscal year ended	Fiscal year ended	Fiscal year ending	2nd quarter ended	2nd quarter ended
	March 31, 2014	March 31, 2015	March 31, 2016	September 30, 2014	September 30, 2015
	Actual	Actual	Forecast	Actual	Actual
Cash flows from operating activities					
Income (loss) before income taxes	31.0	36.7	37.0	(0.4)	4.2
Depreciation and amortization	12.1	13.0	13.0	6.1	5.7
Loss (gain) on sales of fixed assets	(0.3)	(0.6)	-	(0.0)	(0.0)
Loss (gain) on sales of securities and investment securities	(0.0)	(0.2)	-	(0.0)	(0.3)
Increase (decrease) in provision and others	2.3	1.4	-	(1.1)	(1.7)
Increase/decrease of operating assets and liabilities					
Trade receivables	(20.3)	(18.5)	} (9.0)	45.3	48.5
Inventories	0.8	(5.7)		(9.3)	(10.2)
Trade payables	5.0	3.1		(17.9)	(12.1)
Income taxes paid	(5.5)	(12.8)	(14.0)	(5.3)	(1.9)
Others	1.7	(5.0)	-	(5.9)	(6.4)
Net cash provided by operating activities	26.6	11.2	27.0	11.2	25.6
Cash flows from investing activities					
Purchase of fixed assets	(16.4)	(15.0)	(18.5)	(5.8)	(6.6)
Proceeds from sales of fixed assets	0.8	1.0	-	0.2	0.0
Other Investments	19.1	(1.8)	(17.5)	(3.3)	0.0
Net cash provided by (used in) investing activities	3.5	(15.8)	(36.0)	(8.9)	(6.4)
Free Cash Flows	30.1	(4.5)	(9.0)	2.3	19.1
Cash flows from financing activities					
Proceeds from bank loans	10.7	14.6	} ±0	5.9	6.8
Repayment of bank loans	(22.2)	(15.9)		(10.4)	(6.6)
Proceeds from issuance of bonds	10.0	-		-	-
Redemption of bonds	(20.0)	-		-	-
Proceeds from issuance of common stock	0.0	0.0	-	0.0	0.0
Dividends paid	(2.3)	(4.0)	(6.6)	(2.3)	(3.8)
Dividends paid to non-controlling interests	(0.7)	(0.8)	-	(0.0)	-
Purchase and disposal of treasury stock	(0.1)	(0.0)	-	(0.0)	(0.0)
Others	(0.7)	(0.7)	-	(0.3)	(0.3)
Net cash used in financing activities	(25.3)	(7.0)	(6.6)	(7.1)	(4.0)
Translation adjustments	3.7	4.0	-	(0.0)	0.0
Total Cash Flows	8.5	(7.5)	(15.6)	(4.9)	15.2
Cash and cash equivalents					
At the beginning of the period	93.7	102.3	95.6	102.3	95.6
Increase (decrease) resulting from change of scope of consolidation	0.0	0.8	-	0.8	-
At the end of the period	102.3	95.6	80.0	98.2	110.8
*Information on Interest-bearing debt					
Short term debt	63.5	65.5	82.8	61.9	67.3
Long term debt	56.1	55.9	38.7	54.2	55.2
Total Interest-bearing debt	119.6	121.5	121.5	116.1	122.6

5. Sales and Orders by Subsegment

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering, PM = Precision Machinery

(1) Orders received

Billions of Yen

	Fiscal year ended	Fiscal year ending		
	March 31, 2015	March 31, 2016		
	Actual	Forecast	Change	Change Ratio
FMS				(%)
Pumps	180.0	190.0	9.9	5.5
Compressors & Turbines	96.8	100.0	3.1	3.3
Chillers	36.3	35.0	(1.3)	(3.8)
Others	21.2	20.0	(1.2)	(5.7)
Total of FMS	334.4	345.0	10.5	3.1
EE				
Environmental plants	73.7	80.0	6.2	8.4
Total of EE	73.7	80.0	6.2	8.4
PM				
Components	36.5	37.0	0.4	1.2
CMP systems	33.2	45.0	11.7	35.3
Others	7.7	8.0	0.2	3.3
Total of PM	77.5	90.0	12.4	16.0
Others	1.7	2.0	0.2	15.9
Total of Others	1.7	2.0	0.2	15.9
Total	487.5	517.0	29.4	6.0

2nd quarter ended	2nd quarter ended			
	September 30, 2014	September 30, 2015		
	Actual	Actual	Change	Change Ratio
				(%)
	80.1	93.4	13.2	16.5
	48.6	33.0	(15.5)	(32.0)
	16.5	19.2	2.7	16.4
	10.5	11.4	0.8	8.0
	155.9	157.1	1.2	0.8
	38.8	34.8	(3.9)	(10.1)
	38.8	34.8	(3.9)	(10.1)
	16.4	20.7	4.3	26.2
	12.8	25.8	12.9	100.2
	2.3	3.3	1.0	43.5
	31.6	49.8	18.2	57.7
	0.8	0.8	(0.0)	(2.5)
	0.8	0.8	(0.0)	(2.5)
	227.2	242.7	15.5	6.8

(2) Sales

Billions of Yen

	Fiscal year ended	Fiscal year ending		
	March 31, 2015	March 31, 2016		
	Actual	Forecast	Change	Change ratio
FMS				(%)
Pumps	180.5	190.0	9.4	5.2
Compressors & Turbines	106.8	110.0	3.1	3.0
Chillers	34.8	35.0	0.1	0.4
Others	19.8	20.0	0.1	1.0
Total of FMS	342.0	355.0	12.9	3.8
EE				
Environmental plants	64.9	70.0	5.0	7.8
Total of EE	64.9	70.0	5.0	7.8
PM				
Components	37.2	38.0	0.7	2.1
CMP systems	30.5	34.0	3.4	11.1
Others	6.1	8.0	1.8	30.1
Total of PM	73.9	80.0	6.0	8.2
Others	1.7	2.0	0.2	16.3
Total of Others	1.7	2.0	0.2	16.3
Total	482.6	507.0	24.3	5.0

2nd quarter ended	2nd quarter ended			
	September 30, 2014	September 30, 2015		
	Actual	Actual	Change	Change Ratio
				(%)
	64.7	77.3	12.6	19.5
	46.8	41.3	(5.4)	(11.6)
	12.5	11.3	(1.1)	(9.5)
	7.4	8.6	1.1	15.6
	131.5	138.7	7.1	5.5
	23.2	25.7	2.4	10.4
	23.2	25.7	2.4	10.4
	16.7	19.6	2.8	17.1
	11.5	19.1	7.5	65.6
	2.0	2.9	0.8	43.3
	30.4	41.7	11.3	37.3
	0.8	0.8	(0.0)	(0.1)
	0.8	0.8	(0.0)	(0.1)
	186.1	207.0	20.9	11.3